

1 **STATE OF WASHINGTON**
2 **DEPARTMENT OF FINANCIAL INSTITUTIONS**
3 **SECURITIES DIVISION**

4 IN THE MATTER OF DETERMINING
Whether there has been a violation of the
Securities Act of Washington by:

5 Michael Glick;
Cape Point Wealth and Tax Management LLC,

6 Respondents.

Order No. S-22-3264-23-FO01

ENTRY OF FINDINGS OF FACT AND
CONCLUSIONS OF LAW AND FINAL ORDER TO
PERMANENTLY BAR REGISTRATIONS, CEASE
AND DESIST, IMPOSE FINES, CHARGE COSTS,
AND REQUIRE RESTITUTION

7 **THE STATE OF WASHINGTON TO:**

8 Michael Glick (CRD #4798927)
9 Cape Point Wealth and Tax Management LLC (CRD
#305344)

10 On April 13, 2023, the Securities Administrator of the State of Washington issued Statement of
11 Charges and Notice of Intent to Enter Order to Permanently Bar Registrations, Cease and Desist, Impose
12 Fines, Charge Costs, and Require Restitution, Order No. S-22-3264-23-SC01 (Statement of Charges). The
13 Statement of Charges, together with a Notice of Opportunity for Hearing (Notice) and an Application for
14 Adjudicative Hearing (Application), were served on Respondents Michael Glick and Cape Point Wealth
15 and Tax Management LLC (the Respondents) on April 28, 2023. The Notice advised the Respondents that
16 the Application must be received within twenty days from the date of receipt of the Notice. The Respondents
17 failed to request an administrative hearing within twenty days of receipt of the Notice.

18 The Securities Administrator therefore adopts as final the following Findings of Fact and
19 Conclusions of Law as set forth in the Statement of Charges and enters a final order against the Respondents
20 to cease and desist from violations of the Securities Act of Washington, to permanently bar the Respondents
21 from registration in Washington as a broker-dealer, securities salesperson, investment adviser, or
22 investment adviser representative, to impose the fines and costs sought in the Statement of Charges, and to
23 require the Respondents to pay restitution.

1 **FINDINGS OF FACT**

2 **Respondents**

3 1. Michael Glick (“Glick”) is a former registered investment adviser representative and securities
4 salesperson in Washington. Glick was registered in the securities industry in Washington with various
5 financial firms as a securities salesperson and investment adviser representative from April 2004 to July 2019,
6 and as an investment adviser representative of his own firm, Cape Point Wealth and Tax Management LLC,
7 from September 6, 2019 to April 14, 2021. Glick resided in Mercer Island, Washington from approximately
8 January 2015 to April 2022; his current whereabouts are unknown. Glick’s Central Registration Depository
9 (“CRD”) number is 4798927.

10 2. Cape Point Wealth and Tax Management LLC (“Cape Point”) was a Washington limited
11 liability company, originally formed on April 23, 2010. Glick has been the sole owner and employee of Cape
12 Point at all times relevant to this action. Glick conducted his investment adviser business through Cape Point,
13 initially as an affiliate of a larger broker-dealer and later as an independent investment adviser. The
14 Washington Secretary of State administratively dissolved Cape Point on September 3, 2020, after Glick failed
15 to file a required annual report. Cape Point’s CRD number is 305344. As described further below, both Glick
16 and Cape Point’s registrations with the Securities Division have been revoked since April 2021 as a result of
17 a Securities Division enforcement action.

18 **Related Persons**

19 3. TD Ameritrade, Inc. (“TD Ameritrade”) is a registered broker-dealer. Cape Point, while
20 registered as an investment adviser from September 2019 to April 2021, used TD Ameritrade as the asset
21 custodian and broker-dealer for its client accounts. TD Ameritrade’s CRD number is 7870.

22 **Nature of the Conduct**

23 **Overview**

1 4. From April 2021 to at least April 2022, after a Securities Division enforcement action revoked
2 their registrations in the securities industry in Washington, Glick and Cape Point took approximately \$300,000
3 of payments from his former Cape Point clients for investment advisory services. Glick and Cape Point did
4 not inform clients of the Securities Division enforcement action, their bar from the financial industry in
5 Washington, or the fact that TD Ameritrade was terminating their relationship. Glick and Cape Point
6 ultimately did not provide the services for which Cape Point clients paid, and ignored requests from at least
7 two clients to refund their payments.

8 **Background: Securities Division Action and License Revocation**

9 5. For most of his career in the financial industry, Glick was affiliated with large financial firms,
10 most recently Commonwealth Financial Network (“Commonwealth”) from April 2010 to July 2019. Glick
11 left Commonwealth on July 1, 2019; the firm’s filings state that Glick was “Permitted to Resign” and that the
12 firm was “uncomfortable with [Glick’s] level of debt.” After his resignation from Commonwealth, Glick
13 applied to the Securities Division to register Cape Point as an investment adviser, with the intent of operating
14 as a sole practitioner. The Securities Division granted Cape Point’s registration as an investment adviser, and
15 Glick’s registration as an investment adviser representative, on September 6, 2019.

16 6. On December 31, 2020, the Securities Division issued a Statement of Charges and Notice of
17 Intent to Enter an Order to Revoke Registrations, Impose Fines, and Charge Costs (“Statement of Charges”),
18 Order No. S-20-2944-20-SC01, against Cape Point and Glick. As set forth in the Statement of Charges, the
19 Securities Division alleged that Cape Point failed to file its required year-end balance sheet for 2019, along
20 with other required updates to its Form ADV, a registration form used by investment advisers. The Statement
21 of Charges notified Cape Point and Glick that the Securities Division intended to revoke their investment
22 adviser and investment adviser representative registrations as a result of their failure to file the required
23 balance sheet and Form ADV updates. The Securities Division sent this Statement of Charges via mail to

1 Glick's residential address and to Cape Point's business address, both of which Glick and Cape Point had
2 certified were accurate as part of their registration with the Securities Division; it also sent a copy via email
3 to Glick.¹

4 7. Glick and Cape Point did not request a hearing on, or otherwise respond to, the Statement of
5 Charges. Due to this failure to respond, the Securities Division issued Final Order No. S-20-2944-21-FO01
6 on April 1, 2021. The Final Order revoked Glick and Cape Point's registrations with the Securities Division
7 and ordered Glick and Cape Point each to individually pay a fine of \$1,000, and to collectively pay
8 investigative costs of \$200. To date, Glick and Cape Point have not paid these fines or investigative costs. As
9 a result of the Final Order, Glick and Cape Point have not been legally allowed to transact investment adviser
10 business for compensation in Washington since April 1, 2021.²

11 **Background: TD Ameritrade**

12 8. As noted above, Glick and Cape Point used TD Ameritrade as the custodian and broker-dealer
13 for Cape Point client accounts. In November 2020, after Glick repeatedly failed to respond to the firm's
14 information requests about certain billing practices, TD Ameritrade disabled Glick and Cape Point's ability
15 to directly withdraw management fees from clients' securities accounts. Glick then asked Cape Point clients
16 to pay their fees for the beginning of 2021 directly to his bank account, which most or all of his clients did.
17 Glick's clients paid him approximately \$175,000 from January 1, 2021 through March 31, 2021. During this
18 time, Glick did not inform his clients about the Securities Division's Statement of Charges against him.

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21 ¹ Washington law requires investment adviser registrants to file updates to their registration forms within 30 days of events which
22 materially change the contents of the registration forms. *See* WAC 460-24A-205. During all times relevant to this matter, neither
Glick nor Cape Point filed any updated addresses with the Securities Division. Glick's former landlord has also confirmed that he
resided at his most recently registered Mercer Island address until approximately April 2022.

23 ² Glick and Cape Point have not been registered in the financial industry in any other jurisdiction at any time relevant to this
action.

1 9. On or about March 9, 2021, TD Ameritrade sent Glick a letter informing him that it had decided
2 to terminate its relationship with Cape Point “due in part to concerns with [Cape Point’s] management fee
3 billing practices.” The letter noted that TD Ameritrade had “made multiple attempts to contact [Glick] by
4 phone with no answer,” and informed Glick that Cape Point’s agreements with TD Ameritrade would be
5 terminated effective June 7, 2021.

6 **Glick’s Actions in Response**

7 10. Throughout early 2021 to mid-2021, Glick did not inform his clients that the Securities
8 Division had revoked his license, that TD Ameritrade was terminating its relationship with Cape Point, or that
9 he would not be able to find a new broker-dealer without being appropriately licensed. Rather, Glick continued
10 to bill his clients for investment adviser services which he was no longer legally allowed to provide. As he
11 did during the first quarter of 2021, Glick asked clients to send payments directly to his bank account.

12 11. From April 2021 through April 2022, Glick billed, and received payments from, approximately
13 20 Cape Point clients for investment adviser services. The clients interviewed by the Securities Division
14 indicated that their understanding was that Glick would continue to provide the same portfolio management
15 services that he had previously provided to them. Glick knew, or was reckless in not knowing, that (a) he was
16 not legally allowed to provide these services due to the Securities Division’s license revocation, and (b) with
17 Cape Point’s relationship with TD Ameritrade terminated, he would not be able to provide the services without
18 finding a new broker-dealer. In total, Glick received just under \$300,000 from Cape Point clients from April
19 2021 through April 2022. Each former client interviewed by the Securities Division indicated that Glick
20 provided them with only minimal services, or with no services at all, after receiving such payments.

21 12. Glick also misled or failed to inform at least some clients about both (a) the fact that TD
22 Ameritrade was terminating its relationship with Cape Point and (b) TD Ameritrade’s reasons for the
23 termination. For instance, in a March 2021 email to one client, Glick claimed that TD Ameritrade was

1 terminating their relationship because TD Ameritrade did not understand Glick's strategy of having clients
2 with Roth IRAs pay their fees using money from outside the Roth account, and also implied that TD
3 Ameritrade was terminating smaller advisers from the platform for financial reasons. Glick was aware that
4 TD Ameritrade's actual concerns were that he had double-billed at least one client for their advisory fees, had
5 failed to respond to several inquiries from TD Ameritrade about his plans to remedy that double-billing, and
6 more generally had not timely responded to (or had completely ignored) several other requests from TD
7 Ameritrade. In another instance, Glick billed and received payment from one client for investment adviser
8 services in mid-2021, shortly before TD Ameritrade notified the client that Glick was terminated from the
9 platform. When the client confronted Glick about having paid for services which Glick would not be able to
10 provide, Glick responded that he thought it would be okay because of what he had done for that client in the
11 past. Glick ignored requests from that client, and at least one other client, to refund the fees which they had
12 paid.

13 Based upon the above Findings of Fact, the following Conclusions of Law are made:

14 **CONCLUSIONS OF LAW**

- 15 1. Cape Point Wealth and Tax Management LLC was an investment adviser, as defined by RCW
16 21.20.005(8), because it engaged, for compensation, in the business of advising others as to the value of
17 securities.
- 18 2. Michael Glick was an investment adviser representative, as defined by RCW 21.20.005(9),
19 because he was employed by or associated with an investment adviser and made recommendations regarding
20 securities, managed accounts of clients, and sold investment advisory services.
- 21 3. Michael Glick and Cape Point Wealth and Tax Management LLC have each violated RCW
22 21.20.020(1)(b) because, as set forth in the Tentative Findings of Fact, they engaged in acts, practices, or
23 courses of business which operated or would operate as a fraud or deceit upon their former clients, by taking

1 payment for investment adviser services which they were legally prohibited from providing, and by failing to
2 provide services for which clients paid. Such conduct is grounds for an order to permanently deny investment
3 adviser and investment adviser representative registrations under RCW 21.20.110(1)(b), to impose fines under
4 RCW 21.20.110(1) and RCW 21.20.395, to charge costs under RCW 21.20.110(7) and RCW 21.20.390, and
5 to require restitution under RCW 21.20.390(1).

6 4. Michael Glick and Cape Point Wealth and Tax Management LLC have each violated RCW
7 21.20.040(3) by transacting business as an investment adviser and investment adviser representative without
8 being registered or exempt from registration as such. Such conduct is grounds for an order to permanently
9 deny investment adviser and investment adviser representative registrations under RCW 21.20.110(1)(b), to
10 impose fines under RCW 21.20.110(1) and RCW 21.20.395, to charge costs under RCW 21.20.110(7) and
11 RCW 21.20.390, and to require restitution under RCW 21.20.390(1).

12 5. Michael Glick and Cape Point Wealth and Tax Management LLC have each knowingly or
13 recklessly violated DFI Securities Division Order No. S-20-2944-21-FO01, which prohibited them from
14 conducting investment adviser business for compensation in Washington. Such violation is grounds for the
15 imposition of a fine of up to \$25,000 per violation under RCW 21.20.395(2).

16 Based upon the foregoing and finding it in the public interest:

17 **FINAL ORDER**

18 IT IS HEREBY ORDERED that Respondents Michael Glick and Cape Point Wealth and Tax
19 Management LLC, and their agents and employees, shall each cease and desist from violations of RCW
20 21.20.020 and RCW 21.20.040.

21 IT IS FURTHER ORDERED that the Securities Administrator will deny any registration applications
22 for investment adviser, broker-dealer, investment adviser representative, or securities salesperson that
23 Respondents Michael Glick or Cape Point Wealth and Tax Management LLC may file in the future.

1 IT IS FURTHER ORDERED that Respondents Michael Glick and Cape Point Wealth and Tax
2 Management LLC shall be liable for and pay a fine in the amount of \$125,000.

3 IT IS FURTHER ORDERED that Respondents Michael Glick and Cape Point Wealth and Tax
4 Management LLC shall be liable for and pay investigative costs in the amount of \$5,000.

5 IT IS FURTHER ORDERED that Respondent Michael Glick shall refund all payments which he
6 received from clients after April 1, 2021.

7 **AUTHORITY AND PROCEDURE**

8 This FINAL ORDER is entered pursuant to RCW 21.20.110 and RCW 21.20.390 and is subject to
9 Chapter 34.05 RCW. Respondents have the right to petition the superior court for judicial review of this
10 agency action under Part V of Chapter 34.05 RCW. Pursuant to RCW 21.20.395(4), a certified copy of this
11 Final Order may be filed in superior court. If so filed, the clerk shall treat the Final Order in the same manner
12 as a superior court judgment as to the fine, and the fine may be recorded, enforced, or satisfied in like
13 manner.

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15 **WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.**

16 SIGNED and ENTERED this 9th day of June, 2023.



21 _____/s/
22 William M. Beatty
23 Securities Administrator

Approved by:

Presented by:

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/s/

/s/

Brian J. Guerard
Chief of Enforcement

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Financial Legal Examiner

Reviewed by:

/s/

Holly Mack-Kretzler
Financial Legal Examiner Supervisor